

House Bill 2089

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows individual owing debt to state agency to apply to Department of Revenue for currently not collectible status. Prohibits Department of Revenue or another state agency, or private collection agency, from attempting to collect debt owed state agency from individual placed on currently not collectible status.

Specifies qualifications for placement on currently not collectible status. Directs Department of Revenue to adopt rules setting application and renewal process.

Requires written communications with individuals owing debts to state agencies to include notice regarding currently not collectible status.

A BILL FOR AN ACT

1
2 Relating to debt collection.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS 293.227 to**
5 **293.233.**

6 **SECTION 2. (1) As used in the section, "protected income" means personal property,**
7 **wages and homesteads exempt from execution under ORS 18.300 to 18.422, social security**
8 **benefits, public assistance, as defined in ORS 411.010, medical assistance, as defined in ORS**
9 **414.025 and any other personal income that is protected from collection, execution or**
10 **garnishment under state or federal law.**

11 **(2)(a) The Department of Revenue or another state agency, or a private collection**
12 **agency, collecting a debt owed a state agency under ORS 1.197, 293.231 or 293.250 may not**
13 **attempt to collect a debt owed a state agency from an individual who is placed on currently**
14 **not collectible status under this section.**

15 **(b) A private collection agency that has been assigned an account under ORS 1.197 or**
16 **293.231 shall cease collection activities and return the account to the state agency that as-**
17 **signed the account or to the Department of Revenue if the collection agency determines that**
18 **the debtor has been placed on currently not collectible status under this section.**

19 **(c) The Department of Revenue or another state agency, or a private collection agency,**
20 **collecting a debt owed a state agency under ORS 1.197, 293.231 or 293.250 may not request,**
21 **advise or require a debtor to sell personal property that is exempt from execution under ORS**
22 **18.300 to 18.422.**

23 **(3)(a) An individual may apply to the Department of Revenue for placement on currently**
24 **not collectible status. The Department of Revenue shall place an individual on currently not**
25 **collectible status for a term of one year if the income or assets of the individual consist**
26 **solely of protected income or if the person has been placed on currently not collectible status**
27 **by the Internal Revenue Service. The department may place an individual on currently not**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 collectible status for a period of longer than one year for reasons specified by the department
2 by rule.

3 (b) Prior to expiration of the one-year term, the department shall review the status of
4 the individual and shall extend the currently not collectible status of the individual if the
5 individual still qualifies under paragraph (a) of this subsection and the debt remains out-
6 standing.

7 (4) All written communications made to a debtor by the Department of Revenue or an-
8 other state agency, or by a private collection agency assigned an account under ORS 1.197
9 or 293.231, and related to a debt owed a state agency, shall contain the following notice:
10 “Social security benefits, pensions, individual retirement moneys protected under the Em-
11 ployment Retirement Income Security Act of 1974 (ERISA), disability payments and student
12 loans are protected from collection under federal law. This income does not need to be used
13 to pay debt owed to the state of Oregon. You may contact the Department of Revenue at
14 (website) or (telephone number) to inquire about being placed on currently not collectible
15 status with the State of Oregon.”.

16 (5) The Department of Revenue shall adopt rules under which persons who receive in-
17 come that is not protected income, other than personal injury or life insurance proceeds,
18 may also be placed on currently not collectible status. The department shall consider federal
19 poverty level income and expense guidelines in adopting rules under this subsection.

20 (6) The Department of Revenue shall adopt rules:

21 (a) Establishing an application and renewal process as necessary to implement this sec-
22 tion;

23 (b) Setting criteria for determining when a person may be placed on currently not
24 collectible status; and

25 (c) Setting criteria for placing individuals who receive income that is not protected in-
26 come on currently not collectible status as described in this section.

27 **SECTION 3.** Section 2 of this 2015 Act applies to debts that arise prior to, on, or after
28 the effective date of this 2015 Act.

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